

COVINGTON & BURLING

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RECORDATION NO. 11991-B

TWX: 710 822-0005 (CB WSH)
TELEX: 89-593 (COVING WSH)
TELECOPIER: (202) 662-6290
CABLE: COVING

FEB 11 1982-1 15 PM

INTERSTATE COMMERCE COMMISSION

11991-C
RECORDATION NO. 11991-C
FEB 11 1982-1 15 PM

INTERSTATE COMMERCE COMMISSION

February 11, 1982

2-842A015

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Mrs. Mildred R. Lee
Recordation Section
Room 2303

FEB 11 1982
FEB 11 1 05 PM '82
Feb \$ 20.00.....
ICC Washington, D. C.

Dear Mrs. Mergenovich:

Enclosed for recordation pursuant to 49 U.S.C.
§ 11303 are the original and one fully executed and verified
counterpart of the following documents:

1. Amendment No. 1 to Lease Agreement,
dated February 11, 1982, between the
First National Bank and Trust Company
of Evanston, as Owner Trustee (Lessor)
and Western Fuels Association, Inc.
(Lessee).

This Amendment constitutes a secondary
document under 49 C.F.R. § 1116.1(b);
the primary document to which it is
connected is recorded under Recordation
No. 11991.

2. Amendment and Supplement No. 1 to Trust
Indenture and Security Agreement, dated
February 11, 1982, between the First
National Bank and Trust Company of
Evanston, as Owner Trustee, and Continental
Illinois National Bank and Trust Company
of Chicago, as Loan Trustee.

*Amended
Louis C. Burling*

Mrs. Agatha L. Mergenovich
February 11, 1982
Page Two

This Amendment and Supplement constitutes a secondary document under 49 C.F.R. § 1116.1(b); the primary document to which it is connected is recorded under Recordation No. 11991-A.

Pursuant to Section 1116.3(d)(5) of the Commission's Rules, 49 C.F.R. § 1116.3(d)(5), listed below are the names and addresses of the parties to the documents:

A. Amendment No. 1 to Lease Agreement

Lessee Western Fuels Association,
Inc.
700 Jefferson Building
1225 - 19th St., N.W.
Washington, D.C. 20036

Lessor First National Bank and
Trust Company of Evanston
800 Davis Street
Evanston, Illinois 60204

B. Amendment and Supplement No. 1 to Trust Indenture and Security Agreement

Owner Trustee First National Bank and
Trust Company of Evanston
800 Davis Street
Evanston, Illinois 60204
ATTN: Corporate Trust Dept.

Loan Trustee Continental Illinois National
Bank and Trust Company of
Chicago
30 North LaSalle Street
Chicago, Illinois 60693
ATTN: Corporate Trust Dept.

Mrs. Agatha L. Mergenovich
February 11, 1982
Page Three

Pursuant to Section 1116.3(d)(8) of the Commission's Rules, 49 C.F.R. § 1116.3(d)(8), listed below is a description of the equipment covered by the documents:

110 100-Ton Rapid Discharge Hopper Cars
and all alternations, modifications or
additions thereto or replacements or
parts thereof, identifying nos. WFAX
80400 through WFAX 80509, manufactured
by the Ortner Freight Car Company.

Enclosed are two checks each in the amount of \$10.00 for the required recordation fees. Please return to the bearer the original documents bearing the stamped recordation number, the date and hour of filing, and the other appropriate notations pursuant to Section 1116.5 of the Commission's Rules, 49 C.F.R. § 1116.5.

A short summary of the documents to appear in the index follows:

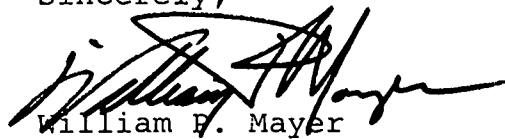
1. Amendment to Lease Agreement with Recordation no. 11991, dated February 11, 1982 and covering 110 100-Ton Rapid Discharge Hopper Cars and all alterations, modifications or additions thereto, identifying nos. WFAX 80400 through WFAX 80509, manufactured by the Ortner Freight Car Company.
2. Amendment and Supplement to Trust Indenture and Security Agreement with Recordation no. 11991-A, dated February 11, 1982 and covering 110 100-Ton Rapid Discharge Hopper Cars and all alterations, modifications or additions thereto or replacements or parts thereof, identifying nos. WFAX 80400 through WFAX 80509, manufactured by the Ortner Freight Car Company.

Mrs. Agatha L. Mergenovich
February 11, 1982
Page Four

The undersigned is an attorney in fact for
American Security Bank, N.A., a party to the transactions
contemplated by these agreements.

Thank you for your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "William F. Mayer", written over the typed name.

William F. Mayer
Attorney for American Security
Bank, N.A.

/me
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

2/11/82

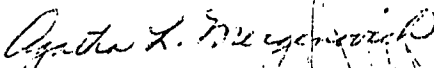
OFFICE OF THE SECRETARY

William P. Mayer, Atty.
Covington & Burling
1201 PA. Ave. N.W.
Washington, D.C. 20044

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **2/11/82** at **1:15pm**, and assigned re-recording number(s). **11991-B & 11991-C**

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

AMENDMENT NO. 1

to

LEASE AGREEMENT

Dated as of

February 11, 1982

between

FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON

as Owner Trustee,

Lessor

and

WESTERN FUELS ASSOCIATION, INC.,

Lessee

(Brushy Creek Mine Unit-Train Financing)

AS SET FORTH IN SECTION 30 OF THE LEASE AGREEMENT, DATED AS OF JULY 11, 1980, TO WHICH THIS IS AN AMENDMENT, SUCH LEASE AGREEMENT, INCLUDING ALL AMENDMENTS THERETO, HAS BEEN ASSIGNED TO AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS LOAN TRUSTEE, UNDER AND TO THE EXTENT SET FORTH IN THE TRUST INDENTURE AND SECURITY AGREEMENT, DATED AS OF JULY 11, 1980, AS AMENDED AS OF THE DATE HEREOF, BETWEEN FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, AS OWNER TRUSTEE, AND CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS LOAN TRUSTEE, AS SUCH TRUST INDENTURE AND SECURITY AGREEMENT MAY BE AMENDED, MODIFIED, OR SUPPLEMENTED IN ACCORDANCE WITH THE TERMS THEREOF. TO THE EXTENT, IF ANY, THAT SUCH LEASE AGREEMENT CONSTITUTES CHATTEL PAPER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY APPLICABLE JURISDICTION), NO SECURITY INTEREST IN SUCH LEASE AGREEMENT MAY BE CREATED BY THE TRANSFER OR POSSESSION OF ANY COUNTERPART THEREOF OTHER THAN THE COUNTERPARTS CONTAINING THE RECEIPT THEREFOR EXECUTED BY CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS LOAN TRUSTEE, ON OR IMMEDIATELY FOLLOWING THE SIGNATURE PAGES THEREOF.

AMENDMENT NO. 1
to
LEASE AGREEMENT

Amendment No. 1 to Lease Agreement, dated as of February 11, 1982, between FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, a national banking association, not in its individual capacity but solely as Owner Trustee under the Owner Trust Agreement defined in Section 1.2 of the Original Lease (as defined below), and WESTERN FUELS ASSOCIATION, INC., a Wyoming corporation, amending and supplementing the Original Lease. Capitalized terms used herein without definition are used as defined in Section 1 of the Original Lease as the same from time to time shall be amended, modified or supplemented.

RECITALS

WHEREAS, the parties hereto have heretofore entered into a Lease Agreement, dated as of July 11, 1980 (the "Original Lease"); and

WHEREAS, the parties hereto wish to amend and supplement the Original Lease in connection with the issuance of the Subsequent Issue Loan Certificates (as defined in the Indenture) to The Aetna Casualty and Surety Company and Manhattan Life Insurance Company and the surrender and cancellation of the Original Issue Loan Certificates;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and of other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Amendment of Original Lease. The Original Lease is amended as follows:

A. Section 1.1 of the Original Lease is amended by deleting the definitions of "Assumed Interest Factor" and "Loan Fee", and by amending clauses (a) and (b) of the definition of "Stipulated Loss Value" to read as follows:

"(a) the principal balance of the Loan Certificates outstanding as of the Rent Payment Date in respect of which Stipulated Loss Value is

being calculated (assuming reduction of said principal balance on said Rent Payment Date as a result of the payment of Rent due on said Rent Payment Date) by (b) a fraction the numerator of which is one and the denominator of which is the total number of Cars subject to this Lease as of the Rent Payment Date in respect of which Stipulated Loss Value is being calculated (including each Car in respect of which Stipulated Loss Value is being calculated),"

B. Section 1.2 of the Original Lease is amended by adding at the appropriate alphabetic location the phrase "'Unit-Train Financing Agreements,'".

C. Section 4.2 of the Original Lease is amended to read as follows in its entirety:

"4.2 Periodic Rent. Lessee shall pay to Lessor on each Periodic Rent Payment Date with respect to each Car then leased hereunder an amount of rent ("Periodic Rent") equal to the Periodic Lease Rate Factor times Equipment Cost for such Car, provided that the Periodic Rent payable on the first Periodic Rent Payment Date after the issuance of the Subsequent Issue Loan Certificates shall be reduced by (a) any amount to be applied as a credit to Periodic Rent under Section 2.3 of the Supplemental Participation Agreement and Amendment to Original Participation Agreement, dated as of January 1, 1982, among the Lessee and the other parties thereto, and (b) an amount equal to the number of days from and including January 1, 1982 to but not including the date of issuance of the Subsequent Issue Loan Certificates multiplied by the product of (1) the original aggregate outstanding principal amount of the Subsequent Issue Loan Certificates and (2) 0.14125."

360

D. The first sentence of Section 4.4(c) of the Original Lease is amended to read as follows:

"Within 30 days after the original issue date of the Subsequent Issue Loan Certificates (as defined in the Indenture), the Owner Participant

will deposit with Lessor under seal the pro forma printouts of programs, formulae, assumptions, methods and actual figures used in computing Rent, Stipulated Loss Value, Termination Value and after-tax yield in conjunction with the issuance of the Subsequent Issue Loan Certificates, and any other programs, formulae, assumptions, methods or actual figures theretofore used in connection with any similar computations in conjunction with the issuance of the Original Issue Loan Certificates (as defined in the Indenture) or theretofore deposited by the Owner Participant with Lessor shall be deemed to have no further relevance to any of the transactions contemplated hereby."

E. Clause (ii) of Section 6.2 of the Original Lease is amended to read as follows in its entirety:

"(ii) any defect in the compliance with specifications, conditions, design, or operation or fitness for use of the Cars;"

F. Clause (v) of Section 6.2 of the Original Lease is amended to replace the word "computation" with the word "composition".

G. Clauses (vi) and (vii) of Section 6.2 of the Original Lease are amended to replace "Unit-Train Lease Agreement" with "Unit-Train Financing Agreement" wherever the phrase "Unit-Train Lease Agreement" appears.

H. Subdivision (a) of Section 15.1 of the Original Lease is amended to replace the figure "\$5,000,000" with the figure "\$35,000,000".

I. The first clause of subsection (b) of Section 15.1 of the Original Lease is amended to read as follows in its entirety:

"Property damage insurance covering loss or damage to the Cars and their operations insuring against such risks as are customarily insured against by prudent rail car operators which are not self-insurers (which insurance shall in any event insure against such risks as are insured by Lessee with respect to similar equipment which it owns or leases);"

J. The fourth sentence of Section 15.2 of the Original Lease is amended by replacing the period at the end thereof with a comma, and inserting immediately thereafter the following:

"the use of any Car for purposes more hazardous than permitted by the terms of the policy, any foreclosure or other proceeding or notice of sale relating to any Car, any change in the title to or ownership of any Car, or any termination of the Lease or any other Unit-Train Financing Agreement so long as Lessee shall retain possession of such Car, notwithstanding any disposition of any other Car."

K. Subparagraph (iii) of Section 16.2(a) of the Original Lease is amended to read as follows:

"(iii) the balance, if any, of such payments remaining thereafter shall be paid to Lessor and to Lessee as their respective interests may appear."

L. The first sentence of Section 18 of the Original Lease is amended to read as follows in its entirety:

"If on or after January 1, 1988 and on or prior to January 1, 1993, Lessee shall reasonably and in good faith determine (as evidenced by a certified copy of a duly adopted resolution of the Board of Directors of Lessee to such effect delivered to Lessor) that all (but not less than all) of the Cars then subject to the Lease are obsolete or otherwise uneconomical for use in its business, and so long as no Default or Event of Default shall have occurred and be continuing, Lessee shall have the right at its option on at least 90 days' written notice to Lessor to terminate this Lease with respect to such Cars on the date specified in such notice, which shall be a Rent Payment Date (for the purposes of this Section 18 called the "Termination Date")."

M. The first paragraph of Section 18 of the Original Lease is further amended to replace "Unit-Train Lease Agreements" with "Unit-Train Financing Agreements" wherever the phrase "Unit-Train Lease Agreements" appears.

N. The Stipulated Loss Value Table set forth in Schedule B to the Original Lease (exclusive of the Investment Tax Credit Recapture Compensation table) is hereby amended to read in its entirety as set forth in Exhibit 1 hereto.

O. The Termination Value Table set forth in Schedule C to the Original Lease is hereby amended to read in its entirety as set forth in Exhibit 2 hereto.

P. The Periodic Lease Rate Factor set forth in part 2 of Schedule D to the Original Lease is amended by replacing the figure "5.5850%" with the figure "6.0662%", and parts 3 and 4 of such Schedule D are deleted in their entirety.

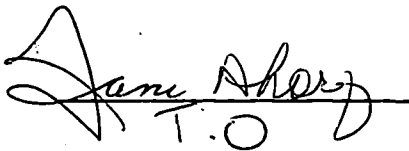
2. Ratification. Except for the amendments set forth in Section 1 of this Agreement, the Original Lease is in all respects ratified and confirmed, and the terms and provisions thereof, as amended hereby, remain in full force and effect.

3. Miscellaneous. This Agreement may be executed in counterparts, each executed counterpart constituting an original but all together one and the same instrument. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all, the parties hereto.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Agreement to be duly executed as of the date first above written.

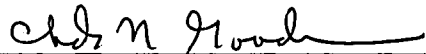
[SEAL]

Attest:


T.O.

LESSOR:

FIRST NATIONAL BANK AND TRUST
COMPANY OF EVANSTON, not in its
individual capacity but solely
as Owner Trustee

By 
Title: VICE PRESIDENT AND TRUST OFFICER


[SEAL]

Attest:


Assistant Secretary

LESSEE:

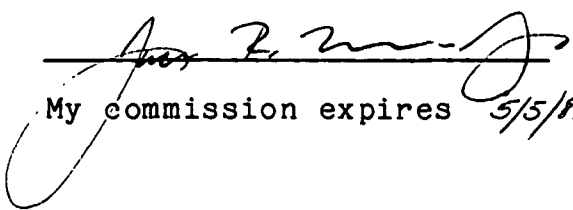
WESTERN FUELS ASSOCIATION, INC.

By 
General Manager

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

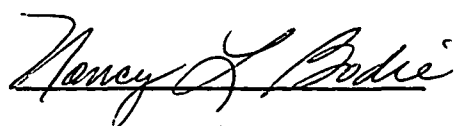
th

On this 11 day of February, 1982, before me personally appeared *C. W. Goodnow*, to me personally known, who being by me duly sworn, says that he is a *Vice President & Trust Officer* of First National Bank and Trust Company of Evanston, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


My commission expires 5/5/82

DISTRICT OF COLUMBIA) ss.:

On this *4th* day of February, 1982, before me personally appeared Kenneth G. Holum, to me personally known, who being by me duly sworn, says that he is the General Manager of Western Fuels Association, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



My commission expires 7/31/84

Exhibit 1
to
Lease Amendment

Stipulated Loss Value Table

<u>Periodic Rent Payment Date Number</u>	<u>Percentage</u>	<u>Periodic Rent Payment Date Number</u>	<u>Percentage</u>
2	95.326	17	78.621
3	95.964	18	76.069
4	96.326	19	73.332
5	96.365	20	70.397
6	96.129	21	67.250
7	95.579	22	63.877
8	94.757	23	60.334
9	93.634	24	56.646
10	92.250	25	52.896
11	90.688	26	49.050
12	89.012	27	45.164
13	87.215	28	41.201
14	85.287	29	37.228
15	83.218	30	33.204
16	81.000	31	29.208
		32	25.000

After Number 32: Fair Market Value as de-
termined in Lease Section
23.1.

Exhibit 2
to
Lease Amendment

Termination Value Table

<u>Periodic Rent Payment Date Number</u>	<u>Percentage</u>
13	83.332
14	81.206
15	78.929
16	76.492
17	73.882
18	71.089
19	68.098
20	64.896
21	61.467
22	57.799
23	53.946